

SAN ANTONIO WATER COMPANY
ADMINISTRATION and FINANCE COMMITTEE (AFC)
MINUTES

November 13, 2012

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:10 p.m. on the above date at the Company office located at 139 N. Euclid Ave., Upland, California. Committee Members present were Glenn Bozar, Sue Sundell, and Tom Thomas. SAWCo's General Manager Charles Moorrees, Assistant Manager of Administration and Finance Teri Layton, and Accounting and Personnel Clerk Joni Ruggles were also in attendance. Ms. Sundell presided.

1. Recognitions and Presentations: Mr. Moorrees handed out a list of terms and acronyms in the water industry to aid the directors.
2. Additions / Deletions to the Agenda: Mr. Moorrees added SB19-Staggered Terms for Directors as Item 5B.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Thomas moved and Mr. Bozar seconded to approve the meeting minutes of October 30, 2012 as presented. Motion carried.

Bob Cable entered the meeting at 3:14 p.m.

5. Administrative and Financial Issues:

B SB19-Staggered Terms for Directors – Mr. Moorrees explained in order to have staggered terms, at the next Annual Meeting, four directors would be selected for a one-time two year term and the remainder would serve a four year term. Who would serve the two and four year terms would be determined by lot. After the two year term has been completed there will be an election held for those seats up for election to become four year terms.

Mr. Moorrees will present this to the Board at the upcoming Board Meeting for adoption to the Bylaws.

A. Health Benefit Plan Review – Mr. Moorrees stated that after SAWCo's insurance broker presentation it was the desire of the AFC to meet prior to the November Board Meeting to review the enrollment figures. At the October AFC meeting SAWCo was advised by their health insurance broker that rates for their Health Benefit Plan were expected to increase by 16%. Since then staff has received the true numbers and the rates will increase by only 10.2%.

Ms. Ruggles explained that the information handed out is just a snapshot in time. The figures are calculated as if all staff continued on their current plans. The medical plan increase was 8%, the dental plan increase was 3%, there was no increase for the vision plan, and the life insurance/accidental death and directive insurance will increase in January by 2%.

Ms. Sundell thought that it was discussed early in the year that if rates went up the employees would pay.

Mr. Cable recommended the company pay 80% of the costs for the health benefit plan while the employees pay 20%

Mr. Thomas suggested SAWCo might want to 1) absorb the cost entirely, 2) find the total dollar amount increase and have the employees pay that amount, or 3) have the employee pay 85% to 95% if SAWCo can do that without losing its grandfather status with Healthnet.

There was consensus on the committee to bring these options to the full Board to decide.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.

Adjournment: The committee determined there was no further business and adjourned the meeting at 3:50 p.m.

Assistant Secretary
Charles Moorrees